

2  
 ASSIGNED  
 ON PAGE A25

WASHINGTON POST  
 11 December 1986

# Saudi Arms Dealer Tied to Casey's Informant

*Longtime Friend of CIA Chief Said to Have Entered Venture to Supply Iran*

J  
 By David B. Ottaway  
 and Ruth Marcus  
 Washington Post Staff Writers

A  
Roy M. Furmark, the New York businessman who CIA Director William J. Casey said first alerted him to the diversion of funds from U.S. arms sale to Iran, once joined with Saudi billionaire Adnan Khashoggi in a venture to supply arms and other goods to Iran, according to sources.

The disclosure of Furmark's connection with Casey and his knowledge of the secret shipment of arms to Tehran adds a new strand to the complicated network of government, business and foreign arms dealers involved in the Iran affair.

Sources yesterday said that Casey, in his testimony before the House Foreign Affairs Committee, told the panel that on Oct. 7 Furmark "described the whole operation" of how U.S. arms shipments to Iran had worked and mentioned to him that "some of the money may have been diverted for other purposes."

Little is known about Furmark's connection to the CIA director or to the Iran arms deal, although more information may become available today when Furmark is expected to appear before one of the congressional committees looking into the Iran affair.

Several sources said Casey and Furmark had been friends for many years. Casey is reported to have told the committee that he had done legal work for Furmark while in private practice in New York in the mid-1970s.

Little is also known about Furmark's personal history. In early 1985, according to sources, he tried to put together a company expressly to sell various goods in high demand in Iran.

According to two sources, one of Furmark's partners was Saudi bil-

lionaire Khashoggi, who has been identified in some reports as being linked to the U.S. arms deals with Iran.

The third partner in the 1985 venture was the late Cyrus Hashemi, the Iranian arms dealer who later became an informer in the FBI's "sting" operation in New York last spring in which 17 individuals have been charged with conspiring to sell more than \$2 billion in arms to Iran.

One of those charged in that case is London-based American lawyer Samuel Evans, who for years worked as Khashoggi's lawyer.

Furmark was instrumental in introducing Khashoggi to Hashemi initially, according to several sources.

Furmark did not return several telephone calls to his New York office yesterday.

The joint venture was designed to sell tractors and arms to Iran but was dissolved by mid-1985 because of a lack of funds, according to one person familiar with the failed enterprise.

In an affidavit filed in the New York sting case, Evans said Hashemi had retained him as legal counsel in the venture. However, Evans did not mention Furmark's participation.

Furmark has been a business associate of Khashoggi's off and on for some years, according to Ronald Kessler, a former staff writer for The Washington Post, whose book about the Saudi billionaire has just been published. However, Furmark and Khashoggi are not presently connected in any enterprise, Kessler said.

Kessler said Furmark has mostly been involved in oil trading and barter deals in the Middle East.

Furmark is an energy consultant who heads a company called Fur-

mark Corp. based in New York City. It is listed as a management consulting and public relations service.

He was identified in a 1980 New York Times article as an American adviser on energy investments to Roger E. Tamraz, a Lebanese financier who headed a group of Arab investors interested in taking over the then-financially troubled Commonwealth Oil Refining Co. of Puerto Rico.

Furmark is also an associate of the late oil company executive John Shaheen, who headed a firm called Shaheen Natural Resources and worked in the World War II Office of Strategic Services with Casey.